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Istook Testifies at Prevailing Wage Hearing

Calls for Repeal of Davis-Bacon Act

Washington, D.C. -- Rep. Ernest Istook (R-OK) testified today in a prevailing wage hearing held by the Committee on Economic and Educational Opportunities in the U.S. House of Representatives. Calling for the repeal of the Davis-Bacon Act, Istook said the outdated law prevents most businesses from winning federal contracts, denies the creation of more jobs for Americans, and costs taxpayers billions in increased costs and unnecessary regulations.

"The Davis-Bacon prevailing wage system cannot be repaired - in must be repealed," declared Istook. "The concept of the 'prevailing wage' has been grossly distorted by special interests, benefitting only a small number of workers controlled by unions. It is designed to set exorbitant rates that small and non-union contractors cannot afford."

"These special interests who do not represent the majority of American workers, have gone to great lengths to capture the policy-making body," continued Istook. "They have violated the law in order to manipulate this system. The only equitable thing to do for the American people, for the taxpayers of this country, and for those who wish to have the opportunity and incentive to work, is to abolish the Davis-Bacon Act. That is the only way to fix what is now broken."

The Davis-Bacon Act is a law enacted in 1931 during the Depression to set wages and benefits for workers on federal construction projects. The law has essentially been unchanged over the last 65 years and has been proven fraudulent in many instances.

The location of the prevailing wage hearing is significant because Oklahoma's own Little Davis Bacon Act has been found to have numerous fraudulent cases. The Oklahoma Department of Labor has investigated and uncovered evidence that fraudulent wage data was submitted to the U.S. Department of Labor for construction projects in Oklahoma. Apparently, falsified data was submitted by unknown individuals or organizations during a routine wage survey of several counties surrounding Oklahoma City in attempts to increase the prevailing wage rates in the area. Such rates charge contractors a much higher price for their projects, footing taxpayers with the unreasonably costly bill to pay for federal government projects.

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